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May 21, 2013

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, California 90012

Dear Supervisors:

**APPROVAL OF A MODIFICATION TO CONTRACT NUMBER 64011116 WITH HEALTHRIGHT
360 (FORMERLY HAIGHT-ASHBURY) TO PROVIDE COMPREHENSIVE SERVICES TO THE
ASSEMBLY BILL 109 POPULATION**

(ALL SUPERVISORIAL DISTRICTS) (3 VOTES)

SUBJECT

This is a joint recommendation with the Sheriff for approval of a modification to contract number 64011116 with HealthRight360 to provide comprehensive services to the Assembly Bill (AB) 109 population.

IT IS RECOMMENDED THAT THE BOARD:

1. Delegate authority to the Chief Probation Officer to prepare and execute a modification to contract number 64011116 with HealthRight360 estimated at an annual amount of \$12,350,000 (Probation - \$12,000,000, Sheriff- \$350,000) for a one year period commencing July 1, 2013 through June 30, 2014 with two additional one year options upon approval by the Board of Supervisors.
2. Direct the Chief Probation Officer to provide a detailed report to the Board on the services delivered under the contract as well as a status updated on the Request for Proposals.
3. Delegate authority to the Chief Probation Officer to modify the Probation's portion of the current Statement of Work (SOW) to include enhanced service connections for the Post-release Supervised Persons (PSP's) under AB 109 population.
4. Delegate authority to the Chief Probation Officer to terminate the modification, in whole or in part,

once the Chief Probation Officer has completed its solicitation and negotiation process for a new contract and determined the necessary transition process, if applicable.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

Approval of the recommended actions will allow Probation to continue providing housing, employment and transportation services to the AB109 population. In addition, it would be in the best interest of the County, communities, and most importantly, the Post Release Community Supervision (PRCS) population as it would allow for program maturation, outcome evaluation and a complete and thorough program needs analysis so that a well-informed Request For Proposal (RFP) can be created using evidence extracted from experience. Probation will be able to develop a plan that ensures the policies, programs and services are delivered timely, on budget, and pursuant to County and communities expectations. The proposed modification to the current Statement of Work (SOW) will allow Probation to provide enhanced service connections for the AB109 population. Enhanced service connections are needed to address the on-going and changing supportive service needs of the AB 109 population, including but not limited to housing permanency.

The current contract with HealthRight360 will expire on June 30, 2013. The proposed contract modification will commence July 1, 2013 through June 30, 2014. Additional information supporting the recommended actions is outlined in Attachment I.

Implementation of Strategic Plan Goals

This public/private partnership between the County and HealthRight360 supports Strategic Plan Goal 1 – Operational Effectiveness: maximize the effectiveness of processes, structure and operations to support the timely delivery of customer-oriented and efficient public services; and Goal 3 – Integrated Services Delivery: maximize opportunities to measurably improve client and community outcomes and leverage resources through the continuous integration of health, community, and public safety services.

FISCAL IMPACT/FINANCING

The estimated annual contract amount is \$ 12,350,000 (Probation - \$12,000,000, Sheriff- \$350,000). Funding for this contract is within the Probation's FY 2013-14 recommended budget. Funding is included in the Sheriff's FY 2013-2014 recommended budget. The proposed contract includes provisions for non-appropriation of funds and budget reductions.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

In April 2011, the California Legislature passed the Public Safety Realignment Act (Assembly Bills 109/117), which transferred responsibility for supervising specific low-level inmates and parolees from the California Department of Corrections and Rehabilitation (CDCR) to counties effective October 2011. The passage of AB109/117 was an unprecedented shift in public safety services from the State to local agencies; with counties given an extremely short period of time for planning purposes. As a result, many supportive service issues were not addressed in the initial support services plan due to a number of unknown variables.

On December 20, 2011, a contract with HealthRight360 was approved by the Board on a sole source

basis due to a critical need to provide immediate services to the AB109 population. HealthRight360 was identified as the primary deliverer of services to the AB109 population because of its distinctive background and experience as the Regional Substance Abuse Servicing Coordinating Agency (SASCA) serving greater Los Angeles County for the CDCR, since 1999. They had the experience and proven success as a provider of re-entry and diversion services and brought an existing, fully-operational infrastructure and level of expertise to assist the County in providing for the PRCS.

The Contractor agrees to give first consideration to hire permanent County employees targeted for layoff, or qualified former County employees who are on a re-employment list after the effective date of this contract and during the life of the contract.

In accordance with the Chief Executive Office memorandum dated October 6, 1997, this contract contains County requirements regarding the hiring of participants of the GAIN/GROW program, and jury service.

In accordance with the Auditor-Controller memorandum dated March 2, 2000, this contract contains County requirements regarding contractor non-responsibility and debarment.

There is no departmental employee relations impact since this is not a Proposition A contract. The Department has evaluated and determined that the Living Wage Program (County Code Chapter 2.201) does not apply to the recommended contract.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

Approval of this modification will ensure uninterrupted supportive services to the AB109 population.

Respectfully submitted,



JERRY E. POWERS
Chief Probation Officer



LEE BACA
SHERIFF

JEP:TH:ds

Enclosures

c: Executive Officer/Clerk of the Board
County Counsel
Chief Executive Officer

ATTACHMENT I

Given the short implementation timeframe for AB109, Probation was not afforded this opportunity and had to implement immediately. The proposed modification will allow Probation to continue to analyze their operations and evaluate the provision of these services to the AB109 population so that a well-informed RFP can be developed. A Request for Proposal (RFP) clearly defines the needs, desired results and critical components of the services being requested. To accomplish this goal, departments must be given adequate time to develop specifications which meet the business/operational needs of the department as well as the service needs of the target population. A competitive solicitation process takes on average 12 – 18 months to complete.

Additional information supporting the extension of the current contract is outlined below and covers the following areas:

- HR360 Background;
- Multiple vs. a single contract provider;
- Transition of Services Plan;
- Cost reimbursement vs. fee-for-service model;
- Supportive Services Implementation Plan;
- Housing; and
- Other Counties
- Key Dates.

HR360 Background

HealthRight360 (HR360) was identified as the primary deliverer of services to the AB109 population because of its distinctive background and experience. As the Regional SASCA for the California Department of Corrections and Rehabilitation (CDCR) since 1999, HR360 brought an existing, fully-operational infrastructure and level of unmatched expertise to the CDCR population (non-serious/violent/sexual parolees) that is now defined as Post Release Community Supervision (PRCS). HR360 had the experience and proven success as a provider of re-entry and diversion services.

HR360 was instrumental in the development of housing, employment and transportation services for the County, procuring a network of community and faith-based organizations through a publicly posted Request for Qualifications (RFQ). This transparent process resulted in submission of over 100 proposals and subsequent service activation in less than 30 days after signing their contract.

Community Service Capacity - HR360 currently subcontracts with 43 community and faith-based organization with over 90 locations covering all of Los Angeles County. They maintain quality assurance through Program Accountability Reviews, facility inspections, file assessments, data analysis, and participant interviews to assure compliance with Probation guidelines and requirements. Moving this function to multiple agencies would require a timeframe that is not affordable to Probation at this time.

Public Safety/Continuous Monitoring - HR360 contract with its providers requires them to immediately contact HR360 and the participant's Probation Officer if there is a change in their status or increasing negative behavior. This allows Probation to intervene appropriately promoting public safety. This critical function could not be accomplished if Probation were to use multiple agencies. System-wide standards would require years to develop and the system would be fractured in the process.

A Functioning System - Over the past year, HR360 has evolved and matured into a familiar partner for the County and community. The system is functioning effectively with a developed referral process, policy and procedures, database, forms, contact information covering all of Los Angeles. Probation Officers make direct referrals knowing that HR360 has immediate placements as an alternative to flash incarceration.

Direct Funding/Invoice Reconciliation - HR360 has a payment process that includes weekly reconciliations with every provider. At the end of the month, an invoice is generated for signature, providing a payment system that is accurate, streamlined and accountable. This acts as a monthly service audit, which guards against billing discrepancies for the County. Assigning this service to multiple agencies would result in varying invoicing methods requiring additional departmental staff resources and time to process.

Flexibility to Adapt to County's Shifting Needs While AB 109 evolves - Since HR360 is a single agency, it offers the County an unparalleled ability to adapt to Probation's shifting needs. Assigning multiple agencies to deliver singular and specific functions of HR360's current contract (housing, employment, transportation) would cause unnecessary confusion, delay and service suspension as each agency would require a timeline to implement its own process. In the initial stages of AB 109 implementation, HR360 immediately activated a service network by subcontracting with community agencies, organizing clearances, conducting community site visits, designing forms and software, and training providers within 30 days.

Community Case Management/Systems Navigation - HR360 provides face-to-face and telephonic case management and systems navigation services with PRCS persons to assure that services, linkages and advocacy are delivered appropriately with interventions provided within critical timeframes. A multi-agency approach would mean the participant would have to develop a trust and working relationships with different staff from different agencies.

Data and Reports - HR360 produces weekly and monthly reports designed to provide Probation with a data-set on participant characteristics, admission and program discharges, costs of services, levels of participation in services, premature discharges and services acquisition or decline. Multiple agencies would have different databases, all requiring Probation to convert into standardized reporting mechanisms.

Multiple vs. Single Contractor Providers

A single contract provider (administrative oversight for all supportive services) will allow Probation to shift funding allotments from one service type to the other depending on population demands (i.e., from housing to employment and vice-versa). Having multiple service providers would prohibit this option and could potentially create staffing resource issues on an already under-resourced contract administrative infrastructure.

With multiple service providers, Probation would be responsible for monitoring each contract award which includes all billing obligations as well as ensuring compliance with the SOW. Quality assurance tasks are not being performed as it relates to adherence to the delivery of services. The proposed modification adds quality assurance measures that would require the provider to conduct such activities with their sub-contractors.

Transition of Services Plan

HR360 contractors have adjusted to the current service arrangements. A transition plan needs would need to be developed for the current HR360 subcontractors to ensure that there is a smooth transition from HR360 to the new provider.

Cost Reimbursement vs. Fee-For-Service

The Community Based Organizations unanimously requested cost reimbursement rather than a fee-for-service payment structure. In response, the Employment Services RFP released by Probation was structured accordingly. To date, Probation does not have significant trend data that would support making a clear allocation by service type. To identify specific funding allocations by service type, Probation would need to capture specific data elements.

AB109 Supportive Services Implementation Plan

Providing supervision and supportive services to the AB109 population is new to the County. Probation staff, in concert with HR360, has learned significant lessons and developed new protocols over the last eighteen month as we have worked with this population, such as the identification of inclusionary and exclusionary service criteria for referrals. Identifying best practices requires input from stakeholders and experts at every level, and a correction action plan could be easier to implement with one provider versus multiple providers.

Extending the Contract will allow for uninterrupted services to be provided to a population whose needs have yet to be clearly defined. In addition, an extension would allow the service providers to build the required capacity, strengthen the established infrastructure and gather sufficient data to offer Probation an analysis of projected needs so that a well-informed RFP can be developed. Transferring service responsibility to multiple agencies at this critical developmental juncture could result in a loss in the continuum of care currently offered by HR360.

Housing

Probation needs sufficient time to determine if Los Angeles Homeless Services Authority (LAHSA) is the appropriate agency to oversee the delivery of housing services to the AB109 population. LAHSA was initially selected by Probation given their current experience and expertise in providing shelter, housing and related services to homeless County residents.

However, over the last eighteen months, it has been determined that specialized training and experience is required when dealing with and addressing the issues, needs and behaviors of the AB109 population. Without this training and follow-up training, many providers would often evict ex-offenders out of concern and/or fear. Additional time is warranted in order to develop and implement the aforementioned training curriculum for housing providers, including LAHSA.

Other Counties

Probation is requesting additional time to review other counties strategies to determine if there is a better delivery service model available. Probation conducted an analysis of 26 other Counties in the state of California to assess their logic and methodology of addressing the housing and employment related service needs of the AB109 population. The results are as follows:

Housing:

- Nine (9) Counties allow either the Departments of Mental Health, Behavioral Health, Behavioral Services, Health & Human Services, or another agency outside of the Probation Department to administer and oversee the housing component and/or all related contracts;
- Five (5) Counties allow Probation to administer and oversee their housing component and/or all contracts;
- Seven (7) Counties do not have housing contracts and refer AB 109 clients to local shelters, Rescue Missions, and local non-profit CBOs; and
- Five (5) Counties either have small contracts with local shelters; pay for housing via vouchers to local hotels;

- Community Corrections Partnership is still deciding how to address the housing component.

Employment:

- Throughout the state, employment services are overwhelmingly being provided by Workforce Development Agencies, County Day Reporting Centers, referrals to Employment Development Department (EDD), or Workforce Investment Boards (WIBs).

Key Dates

On December 20, 2011, Probation committed to releasing a RFP for services related to the AB109 population within 30 days. On January 20, 2012, a RFP to provide Comprehensive Service to the AB109 Population was released seeking a single contractor to provide transitional housing, transportation assistance, job readiness and placement services to the AB109 population.

On March 6, 2012, the RFP was cancelled as it was in the best interest of the County to allow more time to develop a plan that ensured policies, programs and services are delivered timely, on budget, and pursuant to Board and Probation expectations. To meet these objects the following steps were taken:

- Develop multiple RFPs for each service;
- Consult with Departments' of Mental Health, Public Health and Community and Senior Services to ensure services requested in the RFPs are clearly defined and well-coordinated; and
- Review and analyze feedback from potential vendors to ensure services meet the needs of the target population.

March 8, 2012, A supplemental corrective action plan was submitted to the Board of Supervisors.

March 15, 2012, A Post-Release Community Supervision Outreach Forum was held to request input from the community to determine the most effective and efficient method for providing services to the AB 109 participants.

April 5, 2012, LAHSA agreed to work with the Department and provide administrative oversight for housing services for the AB 109 homeless population.

April 12, 2012, Probation informed LAHSA that County Counsel recommended that a Board approved County contract was required.

May 18, 2012, LAHSA provided Probation with a draft Statement of Work.

May 24, 2012, Probation provided LAHSA with recommended revisions.

May 31, 2012, A final SOW was completed.

June 4, 2012, A RFP for Employment Services was released.

June 2012 –September 2012, Preparation of Contract, review and negotiations of Contract terms and conditions including LAHSA's request for advance payment and contract sum. This review also included Probation's request to modify payment provisions to ensure consistency with LAHSA's similar contracts with other County Departments, as well as County Counsels' (Probation and LAHSA) recommendations to modify certain contract terms and conditions.

October 1, 2012- December 19, 2012, Auditor Controller's (AC) review of LAHSA's advance payment provisions to evaluate whether the LAHSA's justifications and procedures for distributing, monitoring and recovering cash advances appeared reasonable. Based on their review, AC provided contract provisions that will be incorporated into the LAHSA contract upon County Counsel review and final execution.